

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors and Shareholders of
Chow Steel Industries Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of **Chow Steel Industries Public Company Limited and its subsidiaries** as at 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of **Chow Steel Industries Public Company Limited** for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements No.2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No.34 *Interim Financial Reporting*.

PRADIT RODLOYTUK
Certified Public Accountant
Registration No. 218

Ast Master Co., Ltd.
11 August 2017

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INTERIM FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017

EXPRESSED IN THAI BAHT

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		In Baht				
		Consolidated		Separate		
		financial statements		financial statements		
		30 June 2017	31 December 2016	30 June 2017	31 December 2016	
Notes		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
ASSETS						
CURRENT ASSETS						
	Cash and cash equivalents	5	862,282,305	711,205,019	12,886,932	265,881,281
	Trade and other receivables	6	1,065,286,448	1,426,335,793	654,163,025	723,405,525
	Short-term loan to related companies	4.1	381,252,426	-	1,474,116,651	3,241,131,021
	Inventories	7	861,081,511	785,558,200	756,677,963	543,201,133
	Project costs under development	8	1,249,370,308	1,086,590,933	-	-
	Account receivable - Revenue Department		237,833,467	197,381,712	31,031,008	2,995,848
	Deposits at financial institutions with restriction on withdrawal	9	128,053,999	96,995,272	-	-
	Other current assets		8,656,330	27,657,288	3,066,258	2,592,471
	Total current assets		4,793,816,794	4,331,724,217	2,931,941,837	4,779,207,279
NON-CURRENT ASSETS						
	Deposits at financial institutions pledged as collateral	10	897,753,122	2,906,201,428	129,334,838	172,998,766
	Investment in subsidiaries	11	-	-	447,285,391	447,285,391
	Investment in joint ventures	12	217,984,634	215,885,351	-	-
	Property, plant and equipment	13	4,752,793,271	5,187,096,346	985,952,435	1,037,545,164
	Intangible assets	14	1,503,191,579	518,833,999	1	1
	Deferred tax assets	22	7,006,672	6,837,100	-	-
	Other non-current assets	15	111,201,314	65,769,024	7,254,660	6,465,128
	Total non-current assets		7,489,930,592	8,900,623,248	1,569,827,325	1,664,294,450
	TOTAL ASSETS		12,283,747,386	13,232,347,465	4,501,769,162	6,443,501,729

The accompanying condensed notes are an integral part of these interim financial statements

 Director
 (Mr. Anavin Jiratomsiri)

 Director
 (Ms. Koo Man Wai)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2017

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	16	1,404,998,190	5,593,786,767	1,033,837,803	3,233,963,331
Trade and other payables	17	2,340,523,667	412,293,537	93,249,269	87,958,732
Current portion of long-term loan	18	887,355,420	819,270,595	659,817,775	611,922,379
Long-term loan - classified as current liabilities	18	54,631,462	62,703,612	54,631,462	62,703,612
Current-portion of liabilities under					
finance lease agreements	19	3,706,526	3,584,397	-	-
Accrued income tax		32,374,059	10,943,647	-	-
Other current liabilities		27,528,960	32,200,494	1,335,291	2,675,633
Total current liabilities		4,751,118,284	6,934,783,049	1,842,871,600	3,999,223,687
NON-CURRENT LIABILITIES					
Long-term loans from financial Institutions	18	6,129,053,834	4,919,520,149	1,382,775,401	1,124,274,783
Liabilities under finance lease agreements	19	4,301,182	6,181,705	-	-
Deferred tax liabilities	22	13,657,831	13,657,831	13,657,831	13,657,831
Employee benefit obligations	20	6,158,600	5,228,084	5,267,451	4,601,827
Other non-current liabilities		850,000	850,000	-	-
Total non-current liabilities		6,154,021,447	4,945,437,769	1,401,700,683	1,142,534,441
TOTAL LIABILITIES		10,905,139,731	11,880,220,818	3,244,572,283	5,141,758,128

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 Director
 (Mr. Anavin Jiratomsiri)

 Director
 (Ms. Koo Man Wai)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2017

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
Notes		(Unaudited)	(Audited)	(Unaudited)	(Audited)
LIABILITIES AND					
SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1 par value					
Authorized share capital					
	800,000,000 common shares	800,000,000	800,000,000	800,000,000	800,000,000
Issued and paid-up share capital					
	800,000,000 common shares	800,000,000	800,000,000	800,000,000	800,000,000
	Premium on share capital	380,845,258	380,845,258	380,845,258	380,845,258
Difference from change in					
	investment in subsidiaries	(5,517,485)	(5,517,485)	-	-
Retained earnings					
	Appropriated for legal reserve	15,400,000	15,400,000	15,400,000	15,400,000
	Unappropriated	70,953,012	32,761,700	6,320,295	50,867,017
	Other components of shareholder's equity	30,588,417	52,518,669	54,631,326	54,631,326
	Total equity attributable to the parent company	1,292,269,202	1,276,008,142	1,257,196,879	1,301,743,601
	Non-controlling interests	86,338,453	76,118,505	-	-
	TOTAL SHAREHOLDERS' EQUITY	1,378,607,655	1,352,126,647	1,257,196,879	1,301,743,601
	TOTAL LIABILITIES AND				
	SHAREHOLDERS' EQUITY	12,283,747,386	13,232,347,465	4,501,769,162	6,443,501,729

The accompanying condensed notes are an integral part of these interim financial statements

 Director
 (Mr. Anavin Jiratomsiri)

 Director
 (Ms. Koo Man Wai)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2017

	In Baht				
	Note	Consolidated		Separate	
		financial statements		financial statements	
	2017	2016	2017	2016	
Revenues					
Revenues from sales and services	1,179,583,112	508,416,272	446,868,703	268,448,852	
Other income	17,095,698	24,360,286	43,223,162	55,713,150	
Gain on foreign exchange rate	21,448,579	51,489,744	-	28,092,086	
Total revenues	1,218,127,389	584,266,302	490,091,865	352,254,088	
Expenses					
Cost of sales and services	900,105,951	440,197,096	439,761,885	258,285,523	
Selling expenses	13,555,995	4,197,791	13,555,995	5,032,610	
Administrative expenses	78,831,194	74,457,710	24,700,371	21,509,227	
Loss on foreign exchange rate	-	-	523,531	-	
Total expenses	992,493,140	518,852,597	478,541,782	284,827,360	
Profit before share of gain (loss) from investment in joint ventures, financial costs and income tax expense	225,634,249	65,413,705	11,550,083	67,426,728	
Share of gain (loss) from investment in joint ventures	814,779	(416,075)	-	-	
Profit before financial costs and income tax expense	226,449,028	64,997,630	11,550,083	67,426,728	
Financial costs	(105,961,412)	(57,695,266)	(52,296,712)	(54,133,788)	
Profit (loss) before income tax expense	120,487,616	7,302,364	(40,746,629)	13,292,940	
Income tax expense	22 (28,668,019)	(3,915,201)	-	-	
Profit (loss) for the period	91,819,597	3,387,163	(40,746,629)	13,292,940	
Other comprehensive income					
Transactions to be reclassified to profit or loss in subsequent period					
Exchange differences on translating financial statements	(7,194,928)	10,420,633	-	-	
Other comprehensive income for the period	(7,194,928)	10,420,633	-	-	
Total comprehensive income for the period	84,624,669	13,807,796	(40,746,629)	13,292,940	
Profit (loss) attributable to:					
Equity holders of the parent	74,928,539	2,245,198	(40,746,629)	13,292,940	
Non-controlling interests	16,891,058	1,141,965	-	-	
	91,819,597	3,387,163	(40,746,629)	13,292,940	
Total comprehensive income attributable to:					
Equity holders of the parent	67,962,581	16,997,611	(40,746,629)	13,292,940	
Non-controlling interests	16,662,088	(3,189,815)	-	-	
	84,624,669	13,807,796	(40,746,629)	13,292,940	
Basic earnings (loss) per share attributable to equity holders of the parent					
Profit (loss) par share (Baht per share)	0.094	0.003	(0.051)	0.017	
Weighted average number of common shares (shares)	800,000,000	800,000,000	800,000,000	800,000,000	

The accompanying condensed notes are an integral part of these interim financial statements

 Director
 (Mr. Anavin Jiratomsiri)

 Director
 (Ms. Koo Man Wai)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	In Baht				
	Notes	Consolidated		Separate	
		financial statements		financial statements	
	2017	2016	2017	2016	
Revenues					
Revenues from sales and services	1,793,321,165	1,749,878,224	876,761,766	928,016,867	
Other income	29,650,040	75,416,123	103,804,552	107,113,562	
Gain on foreign exchange rate	47,658,895	27,193,877	-	61,869,358	
Total revenues	<u>1,870,630,100</u>	<u>1,852,488,224</u>	<u>980,566,318</u>	<u>1,096,999,787</u>	
Expenses					
Cost of sales and services	1,437,508,823	1,565,860,397	846,029,049	897,486,607	
Selling expenses	21,780,357	15,036,924	21,780,357	19,261,908	
Administrative expenses	166,160,024	117,185,056	46,033,589	42,683,513	
Loss on foreign exchange rate	-	-	615,136	-	
Total expenses	<u>1,625,449,204</u>	<u>1,698,082,377</u>	<u>914,458,131</u>	<u>959,432,028</u>	
Profit before share of gain (loss) from investment in joint venture, financial costs and income tax expense					
	245,180,896	154,405,847	66,108,187	137,567,759	
Share of gain (loss) from investment in joint venture	12 2,099,283	(1,006,538)	-	-	
Profit before financial costs and income tax expense					
	247,280,179	153,399,309	66,108,187	137,567,759	
Financial costs	(163,959,392)	(85,968,342)	(110,654,909)	(105,870,193)	
Profit (loss) before income tax expense					
	83,320,787	67,430,967	(44,546,722)	31,697,566	
Income tax expense	22 (33,030,694)	(9,355,445)	-	-	
Profit (loss) for the period					
	<u>50,290,093</u>	<u>58,075,522</u>	<u>(44,546,722)</u>	<u>31,697,566</u>	
Other comprehensive income					
Transactions to be reclassified to profit or loss in subsequent period					
Exchange differences on translating financial statements	(23,809,085)	22,473,667	-	-	
Other comprehensive income for the period					
	(23,809,085)	22,473,667	-	-	
Total comprehensive income for the period					
	<u>26,481,008</u>	<u>80,549,189</u>	<u>(44,546,722)</u>	<u>31,697,566</u>	
Profit (loss) attributable to:					
Equity holders of the parent	38,191,312	51,070,958	(44,546,722)	31,697,566	
Non-controlling interests	12,098,781	7,004,564	-	-	
	<u>50,290,093</u>	<u>58,075,522</u>	<u>(44,546,722)</u>	<u>31,697,566</u>	
Total comprehensive income attributable to:					
Equity holders of the parent	16,261,060	75,925,217	(44,546,722)	31,697,566	
Non-controlling interests	10,219,948	4,623,972	-	-	
	<u>26,481,008</u>	<u>80,549,189</u>	<u>(44,546,722)</u>	<u>31,697,566</u>	
Basic earnings (loss) per share attributable to equity holders of the parent					
Profit (loss) par share (Baht per share)	0.048	0.064	(0.056)	0.040	
Weighted average number of common shares (shares)	800,000,000	800,000,000	800,000,000	800,000,000	

The accompanying condensed notes are an integral part of these interim financial statements

 Director
 (Mr. Anavin Jiratomsiri)

 Director
 (Ms. Koo Man Wai)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	In Baht										
	Issued and paid-up share capital	Premium on share capital	Difference from change in investment in subsidiaries	Retained earnings		Revaluation surplus on land - net of tax	Exchange differences on translating financial statements	Total other components of shareholders' equity	Total equity attributable to the parent company	Non-controlling interests	Total
				Appropriated for legal reserve	Unappropriated						
Balance as at 1 January 2016	800,000,000	380,845,258	(38,585,104)	13,788,260	940,087	54,631,325	(3,905,067)	50,726,258	1,207,714,759	104,616,731	1,312,331,490
Decrease in non-controlling interests											
from additional interest in subsidiary	-	-	30,687,027	-	-	-	-	-	30,687,027	(30,687,027)	-
Profit for the period	-	-	-	-	51,070,958	-	-	-	51,070,958	7,004,564	58,075,522
Other comprehensive income for the period	-	-	-	-	-	-	24,854,259	24,854,259	24,854,259	(2,380,592)	22,473,667
Total comprehensive income for the period	-	-	-	-	51,070,958	-	24,854,259	24,854,259	75,925,217	4,623,972	80,549,189
Balance as at 30 June 2016	<u>800,000,000</u>	<u>380,845,258</u>	<u>(7,898,077)</u>	<u>13,788,260</u>	<u>52,011,045</u>	<u>54,631,325</u>	<u>20,949,192</u>	<u>75,580,517</u>	<u>1,314,327,003</u>	<u>78,553,676</u>	<u>1,392,880,679</u>
Balance as at 1 January 2017	800,000,000	380,845,258	(5,517,485)	15,400,000	32,761,700	54,631,325	(2,112,656)	52,518,669	1,276,008,142	76,118,505	1,352,126,647
Profit for the period	-	-	-	-	38,191,312	-	-	-	38,191,312	12,098,781	50,290,093
Other comprehensive income for the period	-	-	-	-	-	-	(21,930,252)	(21,930,252)	(21,930,252)	(1,878,833)	(23,809,085)
Total comprehensive income for the period	-	-	-	-	38,191,312	-	(21,930,252)	(21,930,252)	16,261,060	10,219,948	26,481,008
Balance as at 30 June 2017	<u>800,000,000</u>	<u>380,845,258</u>	<u>(5,517,485)</u>	<u>15,400,000</u>	<u>70,953,012</u>	<u>54,631,325</u>	<u>(24,042,908)</u>	<u>30,588,417</u>	<u>1,292,269,202</u>	<u>86,338,453</u>	<u>1,378,607,655</u>

The accompanying condensed notes are an integral part of these interim financial statements

 Director
 (Mr. Anavin Jiratomsiri)

 Director
 (Ms. Koo Man Wai)

(Unaudited)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	In Baht						Total
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Revaluation surplus on land - net of tax	Total other components of shareholders' equity	
Appropriated for legal reserve			Unappropriated				
Balance as at 1 January 2016	800,000,000	380,845,258	13,788,260	20,942,000	54,631,326	54,631,326	1,270,206,844
Profit for the period	-	-	-	31,697,566	-	-	31,697,566
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	31,697,566	-	-	31,697,566
Balance as at 30 June 2016	<u>800,000,000</u>	<u>380,845,258</u>	<u>13,788,260</u>	<u>52,639,566</u>	<u>54,631,326</u>	<u>54,631,326</u>	<u>1,301,904,410</u>
Balance as at 1 January 2017	800,000,000	380,845,258	15,400,000	50,867,017	54,631,326	54,631,326	1,301,743,601
Loss for the period	-	-	-	(44,546,722)	-	-	(44,546,722)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(44,546,722)	-	-	(44,546,722)
Balance as at 30 June 2017	<u>800,000,000</u>	<u>380,845,258</u>	<u>15,400,000</u>	<u>6,320,295</u>	<u>54,631,326</u>	<u>54,631,326</u>	<u>1,257,196,879</u>

The accompanying condensed notes are an integral part of these interim financial statements

Director
(Mr. Anavin Jiratomsiri)

Director
(Ms. Koo Man Wai)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax expense	83,320,787	67,430,967	(44,546,722)	31,697,566
Adjustment to reconcile profit (loss) to net cash provided by (used in)				
operating activities				
Doubtful accounts and bad debts	10,936,111	-	-	-
Loss on diminution in value of inventories (reversal)	83,760	(28,866,633)	83,760	(28,866,633)
Depreciation	116,801,408	77,970,916	53,770,235	54,593,968
Amortization	30,396,482	5,487,234	-	-
(Gain) loss on disposal of equipment	351,573	-	(2,802)	-
Unrealized (gain) loss on foreign exchange rate	(1,881,806)	52,808,244	(4,606)	7,780,103
Share of (gain) loss from investment in joint ventures	(2,099,283)	(1,006,538)	-	-
Eliminated related profit transaction with joint venture	-	7,462,153	-	-
Employee benefit obligations	930,516	1,001,065	665,624	582,333
Interest expenses and financial costs	163,959,392	85,968,342	110,654,909	105,870,193
Profit from operating activities before change in				
operating assets and liabilities	402,798,940	268,255,750	120,620,398	171,657,530
(Increase) decrease in operating assets				
Trade and other receivables	352,652,438	(1,213,269,625)	69,242,500	(227,202,269)
Inventories	(75,607,071)	406,377,136	(213,560,590)	412,819,369
Project costs under development	(140,610,030)	146,147,685	-	-
Account receivable - Revenue Department	(40,451,755)	29,037,105	(28,035,160)	11,679,222
Other current assets	19,000,958	2,179,931	(473,787)	345,239
Other non-current assets	(44,408,196)	13,638,316	(133,972)	3,679
Increase (decrease) in operating liabilities				
Trade and other payables	1,958,621,275	(74,877,720)	(1,846,038)	33,923,403
Other current liabilities	(4,671,534)	4,423,587	(1,340,342)	(148,175)
Cash received (paid) from operating activities	2,427,325,025	(418,087,835)	(55,526,991)	403,077,998
Interest and financial costs paid	(247,890,845)	(212,664,617)	(106,379,863)	(98,826,708)
Income tax paid	(12,793,948)	(26,566,605)	(655,560)	(290,043)
Net cash provided by (used in) operating activities	2,166,640,232	(657,319,057)	(162,562,414)	303,961,247
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for purchase investment in subsidiaries	-	-	-	(261,347,360)
Cash paid for purchase investment from non-controlling interests	-	(60,983,175)	-	-
(Increase) decrease in deposits pledged as collateral				
and deposits at financial institutions with restriction on withdrawal	1,977,389,579	(1,023,927,169)	43,663,928	(14,843,481)
(Increase) decrease in short-term loans to related companies	(381,252,426)	-	1,767,014,370	(1,029,363,757)
Cash paid for acquisition of plant and equipment				
(cash flows information 1)	(102,662,559)	(406,887,307)	(2,177,508)	(433,398)
Cash paid for acquisition of intangible assets	(599,201,550)	(2,887,824)	-	-
Advance payment for assets	-	-	-	(1,835,459)
Proceed from disposal of equipment (cash flows information 2)	2,804	-	2,804	-
Net cash provided by (used in) investing activities	894,275,848	(1,494,685,475)	1,808,503,594	(1,307,823,455)

The accompanying condensed notes are an integral part of these interim financial statements

 (Mr. Anavin Jiratomsiri) Director

 (Ms. Koo Man Wai) Director

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts				
and short-term loans from financial institutions	(4,188,788,577)	1,182,148,135	(2,200,125,528)	430,320,023
Decrease in non-controlling interests				
from additional interest in subsidiary	-	60,983,175	-	-
Cash received for long-term loans	3,069,773,930	955,862,500	-	616,672,160
Cash paid for long-term loans	(1,768,398,154)	(23,160,270)	(608,310,000)	(2,770,000)
Cash paid for liabilities under finance lease agreements	(1,758,394)	(25,840)	-	-
Net cash provided by (used in) financing activities	(2,889,171,195)	2,175,807,700	(2,808,435,528)	1,044,222,183
Exchange differences on translating financial statements	(20,667,599)	22,473,667	-	-
Net increase (decrease) in cash and cash equivalents	151,077,286	46,276,835	(1,162,494,348)	40,359,975
Cash and cash equivalents, beginning of period	711,205,019	178,308,991	265,881,281	34,042,073
Cash and cash equivalents, end of period	862,282,305	224,585,826	(896,613,067)	74,402,048

SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION1. Cash paid for acquisition of plant and equipment

Acquisition of plant and equipment during the period	131,969,138	407,852,576	2,177,508	433,398
Less Capitalized interest	(29,306,579)	(965,269)	-	-
Cash paid for acquisition of plant and equipment	102,662,559	406,887,307	2,177,508	433,398

2. Proceeds from disposal of equipment

Disposal of equipment during the period	354,377	-	2	-
Gain (loss) on disposal of equipment	(351,573)	-	2,802	-
Proceeds from disposal of equipment	2,804	-	2,804	-

The accompanying condensed notes are an integral part of these interim financial statements

 (Mr. Anavin Jiratomsiri) Director

 (Ms. Koo Man Wai) Director

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

1. GENERAL INFORMATION

Chow Steel Industries Public Company Limited (“the Company”) was incorporated in Thailand. The principal business operation of the Company is to produce and sell of steel billet. Its major shareholders are Jiratomsiri’s Group (owned 66%). The address of its registered office is located at as follows:

- Head Office is located at 2525 FYI Center, Tower 2, 10th Floor, Unit 2/1006-1008, Rama 4 Road, Khlongtoei Sub-district, Khlongtoei District, Bangkok.
- Branch 1 is located at 518/1 Moo 9, Nongki Sub-district, Kabinburi District, Prachinburi.
- Branch 2 is located at 518/3 Moo 9, Nongki Sub-district, Kabinburi District, Prachinburi.

The Company was listed on the Stock Exchange of Thailand on 21 December 2011 and the Company’s stocks were traded on the MAI (Market of Alternative Investment).

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (Revised 2016) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission and accounting practices generally accepted in Thailand.

The interim financial statements are prepared to provide an update information on the financial statements for the year ended 31 December 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2016 which had been audited.

The preparation of interim financial statements in conformity with Thai Financial Reporting Standards requires management’s judgments to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Basis for preparation of the interim consolidated financial statements

The interim consolidated financial statements included the financial statements of the Company and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016, with no structural changes related to subsidiaries during the current period.

For the convenience of the user, an English translation of the financial statements has been prepared from the statutory financial statements that are issued in the Thai language.

The consolidated financial statements consisted of Chow Steel Industries Public Company Limited, subsidiaries and joint ventures (together referred to as “the Group”). Details of the Company’s subsidiaries and joint ventures are as follows:

	Registered Country	Percentage of holding (%)		Nature of Business
		30 June 2017	31 December 2016	
<u>Subsidiaries directly owned by the Company</u>				
Vertex Logistics Service Co., Ltd. (“VTL”)	Thailand	40	40	Logistic service
Chow Energy Plc. (“CE”)	Thailand	87.36	87.36	Holding company invested in power generation and distribution

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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

	Registered Country	Percentage of holding (%)		Nature of Business
		30 June 2017	31 December 2016	
<u>Subsidiaries indirectly owned by the Company</u>				
<u>Holding by CE</u>				
Chow International Co., Ltd. (“CI”)	Thailand	100	100	Holding company Consulting to international investment
Premier Solution Co., Ltd. (“PSCL”)	Thailand	100	100	
<u>Holding by PSCL</u>				
Premier Solution Japan K.K. (“PSJP”)	Japan	100	100	Construction and installation of power plant Project insurance
Premier Solution GmbH. (“PSGM”)	Germany	100	100	
<u>Holding by PSJP</u>				
AE Solar Godo Kaisha (“AE”)	Japan	100	100	Power generation and distribution Support solar project investment
Sun Energy Godo Kaisha (“SUN”)	Japan	100	100	
Sol Power Godo Kaisha (“SOL”)	Japan	100	100	Power generation and distribution Power generation and distribution
Sun Partner Japan Godo Kaisha (“Sun Partner”)	Japan	100	100	
CC Hamada Solar Godo Kaisha (CC “Hamada”)	Japan	100	100	Power generation and distribution
<u>Joint Ventures</u>				
<u>Holding by CI</u>				
RICI International Investment Pte., Ltd. (“RICI”)	Singapore	40	40	Investment in power plant
<u>Holding by PSCL</u>				
Overseas Green Energy Co., Ltd. (“OGE”)	Thailand	40	40	Management in power plant

The Group is currently in process of extension business by investing in renewable power, which may establish several companies in form of subsidiary, and/or associate and/or joint venture to perform feasibility studies and invest in renewable power business in the future. The Company or some subsidiaries will be one of investors of such established companies.

The significant transactions between the Company and the subsidiaries have been eliminated in the consolidated financial statements.

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

3. NEW FINANCIAL REPORTING STANDARDS

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

Financial Reporting Standards which are effective in current period

During the period, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

4. TRANSACTIONS WITH RELATED PERSON AND COMPANIES

4.1 Balances between the Company and subsidiaries, related persons and companies

Balances among the Company with subsidiaries, related persons and companies as at 30 June 2017 and 31 December 2016 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade receivables (Note 6)</u>				
Related companies	99,977,779	100,312,793	-	-
<u>Other receivables (Note 6)</u>				
Subsidiaries	-	-	80,217,622	149,996,911
Related companies	2,730,817	288,900	-	-
Total	2,730,817	288,900	80,217,622	149,996,911
<u>Short-term loan to</u>				
Subsidiaries				
Balance, beginning of the period/year	-	-	3,241,131,021	1,826,779,332
<u>Add</u> Increase during the period/year	-	-	812,000,000	6,520,858,385
<u>Less</u> Decrease during the period/year	-	-	(2,579,014,370)	(5,106,506,696)
Balance, end of the period/year	-	-	1,474,116,651	3,241,131,021
Related company				
Balance, beginning of the period/year	-	-	-	-
<u>Add</u> Increase during the period/year	381,252,426	-	-	-
Balance, end of the period/year	381,252,426	-	-	-
Total	381,252,426	-	1,474,116,651	3,241,131,021

As at 30 June 2017, the Company had short-term loan to a related company amounting to Baht 381.25 million with due on call.

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Other non-current assets (Note 15)</u>				
Subsidiaries	-	-	119,600	-
<u>Trade payables (Note 17)</u>				
Subsidiary	-	-	1,652,646	645,541
<u>Other payables (Note 17)</u>				
Related person	30,344	14,945	22,364	14,945
Subsidiaries	-	-	563,792	13,226,914
Related companies	45,000	686,263	15,000	97,900
Total	75,344	701,208	601,156	13,339,759
<u>Advance received (Note 17)</u>				
Related company	2,099,262,825	-	-	-
<u>Short-term loan from</u>				
Related company				
Balance, beginning of the period/year	-	2,000,000	-	-
<u>Less</u> Decrease during the period/year	-	(2,000,000)	-	-
Balance, end of the period/year	-	-	-	-
Related person				
Balance, beginning of the period/year	-	2,000,000	-	-
<u>Less</u> Decrease during the period/year	-	(2,000,000)	-	-
Balance, end of the period/year	-	-	-	-
Total	-	-	-	-

4.2 Revenues and expenses between the Company and subsidiaries, related persons and companies

Revenues and expenses transactions among the Company with subsidiaries, related persons and companies for the three-month periods ended 30 June are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Rental income</u>				
Subsidiaries	-	-	1,343,593	327,956
<u>Other income</u>				
Subsidiaries	-	-	21,028	-
<u>Interest income</u>				
Subsidiaries	-	-	40,139,402	51,890,025

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Transportation expense</u>				
Subsidiaries	-	-	7,875,768	4,937,894
<u>Office equipment rental</u>				
Subsidiaries	-	-	360,501	-
<u>Legal fee</u>				
Related company	135,000	721,719	45,000	233,819

Directors and managements' remuneration

Directors and managements' remuneration for the three-month periods ended 30 June, are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term benefits	6,421,115	4,503,236	2,615,435	2,173,236
Post-employment benefits	132,726	132,552	22,306	14,788
Total	6,553,841	4,635,788	2,637,741	2,188,024

Revenues and expenses transactions among the Company with subsidiaries, related persons and companies for the six-month periods ended 30 June are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Rental income</u>				
Subsidiaries	-	-	2,687,650	655,912
<u>Other income</u>				
Subsidiaries	-	-	128,047	-
<u>Interest income</u>				
Subsidiaries	-	-	96,813,482	100,644,534
<u>Transportation expense</u>				
Subsidiaries	-	-	15,877,534	18,912,192
<u>Office equipment rental</u>				
Subsidiaries	-	-	360,501	-
<u>Legal fee</u>				
Related company	927,000	1,704,719	747,000	1,126,819

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

Directors and managements' remuneration

Directors and managements' remuneration for the six-month periods ended 30 June, are follows:

	In Baht			
	Consolidated financial statements		Separate Financial statements	
	2017	2016	2017	2016
Short-term benefits	12,792,230	8,446,472	5,430,870	4,136,472
Post-employment benefits	265,452	265,105	44,612	29,576
Total	<u>13,057,682</u>	<u>8,711,577</u>	<u>5,475,482</u>	<u>4,166,048</u>

5. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Cash	205,481	215,046	81,316	99,766
Current deposits	9,801,093	50,802,676	6,480,613	49,254,914
Saving deposits	852,179,380	660,091,331	6,314,894	216,516,492
Fixed deposits	96,351	95,966	10,109	10,109
Total	<u>862,282,305</u>	<u>711,205,019</u>	<u>12,886,932</u>	<u>265,881,281</u>

6. TRADE AND OTHER RECEIVABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade receivables - related companies (Note 4.1)	99,977,779	100,312,793	-	-
Trade receivables - other companies	852,432,052	868,372,033	566,656,963	565,801,784
Total trade receivables	<u>952,409,831</u>	<u>968,684,826</u>	<u>566,656,963</u>	<u>565,801,784</u>
Other receivables - related companies (Note 4.1)	2,730,817	288,900	80,217,622	149,996,911
Other receivables - other companies	57,228,482	335,141,516	454,092	1,956,354
Prepaid expenses	45,152,128	36,225,408	2,439,762	4,933,147
Advances payment for inventories	4,880,622	74,190,794	4,394,586	717,329
Advances	2,884,568	11,804,349	-	-
Total other receivables	<u>112,876,617</u>	<u>457,650,967</u>	<u>87,506,062</u>	<u>157,603,741</u>
Total	<u>1,065,286,448</u>	<u>1,426,335,793</u>	<u>654,163,025</u>	<u>723,405,525</u>

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

Trade receivables classify by aging as at 30 June 2017 and 31 December 2016 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade receivables - related companies				
Within credit terms	-	18,204,460	-	-
Overdue:				
3 - 6 months	18,204,460	-	-	-
6 - 12 months	-	13,416,956	-	-
Over 12 months	81,773,319	68,691,377	-	-
Total trade receivables - related companies	<u>99,977,779</u>	<u>100,312,793</u>	-	-
Trade receivables - other companies				
Within credit terms	411,784,433	517,150,486	285,986,548	355,513,467
Overdue:				
Less than 3 months	249,898,393	188,486,823	241,272,858	129,639,278
3 - 6 months	158,325,502	78,865,099	23,117,095	75,649,039
6 - 12 months	16,117,199	78,844,378	-	-
Over 12 months	17,366,243	6,080,442	16,280,462	5,000,000
Total other receivables - other companies	<u>853,491,770</u>	<u>869,427,228</u>	<u>566,656,963</u>	<u>565,801,784</u>
<u>Less</u> allowance for doubtful accounts	<u>(1,059,718)</u>	<u>(1,055,195)</u>	-	-
Trade receivables - other companies	<u>852,432,052</u>	<u>868,372,033</u>	<u>566,656,963</u>	<u>565,801,784</u>
Total trade receivables	<u>952,409,831</u>	<u>968,684,826</u>	<u>566,656,963</u>	<u>565,801,784</u>

At the stage of development solar power projects in Japan, the Group appointed a lawyer firm in Japan to be an Escrow Agent to maintain Escrow accounts that opened with a Japanese bank on behalf of the Escrow Agent for the purpose to use for the solar power generation business in Japan. The Group is the authorized person for approval of disbursements. In addition, the Group has no right to receive the interest from such Escrow accounts. As at 30 June 2017, the Group has the outstanding balance of Escrow accounts of Baht 0.25 million, which included in "Other receivables - other companies" (31 December 2016: amounting to Baht 220.35 million).

During the period 2017, the Group wrote-off bad debt of Baht 10.93 million.

The management of the Group believes that allowance for doubtful debts in the financial statements is adequate in the current circumstances.

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

7. INVENTORIES

Consolidated financial statements

	In Baht					
	Cost		Allowance for diminution in value of inventories		Inventories - net	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Finished goods	575,742,594	654,611,244	(22,452,620)	(22,368,861)	553,289,974	632,242,383
Raw materials	184,183,154	53,105,766	-	-	184,183,154	53,105,766
Supplementary						
Material	60,996,812	34,667,649	(4,898,633)	(4,898,632)	56,098,179	29,769,017
Supplies	68,038,511	70,969,341	(528,307)	(528,307)	67,510,204	70,441,034
Total	<u>888,961,071</u>	<u>813,354,000</u>	<u>(27,879,560)</u>	<u>(27,795,800)</u>	<u>861,081,511</u>	<u>785,558,200</u>

Separate financial statements

	In Baht					
	Cost		Allowance for diminution in value of inventories		Inventories - net	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Finished goods	575,742,594	412,254,177	(22,452,620)	(22,368,861)	553,289,974	389,885,316
Raw materials	108,080,535	53,105,766	-	-	108,080,535	53,105,766
Supplementary						
Material	32,695,883	34,667,649	(4,898,633)	(4,898,632)	27,797,250	29,769,017
Supplies	68,038,511	70,969,341	(528,307)	(528,307)	67,510,204	70,441,034
Total	<u>784,557,523</u>	<u>570,996,933</u>	<u>(27,879,560)</u>	<u>(27,795,800)</u>	<u>756,677,963</u>	<u>543,201,133</u>

During this period, the Company recognized expense arising from the allowance for diminution in value of inventories amounted to Baht 0.08 million which was included in cost of sales.

8. PROJECT COSTS UNDER DEVELOPMENT

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Project costs under development	1,227,200,963	1,015,373,842	-	-
Capitalized interest	22,169,345	71,217,091	-	-
Total	<u>1,249,370,308</u>	<u>1,086,590,933</u>	<u>-</u>	<u>-</u>

The Group is developing power generating and distribution of renewable energy in Japan.

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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9. DEPOSITS AT FINANCIAL INSTITUTIONS WITH RESTRICTION ON WITHDRAWAL

As at 30 June 2017, the Group had deposit - saving accounts of Baht 128.05 million (31 December 2016 of Baht 96.99 million) in borrowing from financial institutions (Note 18). The financial institutions have set the conditions for withdrawal such accounts which shall inform the bank prior to withdrawal.

10. DEPOSITS AT FINANCIAL INSTITUTIONS PLEDGED AS COLLATERAL

As at 30 June 2017, the Group and the Company have deposits at banks of Baht 897.75 million and Baht 129.33 million, respectively (31 December 2016 : Baht 2,906.20 million and Baht 172.99 million, respectively) which were pledged as collateral for performance guarantee and payment of electricity fee (Note 24) and loans facilities from financial institutions (Notes 16 and 18).

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

11. INVESTMENT IN SUBSIDIARIES

Separate financial statements

Company's name	Nature of business	Paid-up share capital (Million Baht)		Percentage of holding (%)		In Baht	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016	Investment - At cost	
						30 June 2017	31 December 2016
Vertex Logistics Service Co., Ltd.	Logistics	18.00	18.00	40.00	40.00	7,200,000	7,200,000
Chow Energy Public Co., Ltd.	Holding company invested in power generation and distribution	570.00	570.00	87.36	87.36	440,085,391	440,085,391
					Total	<u>447,285,391</u>	<u>447,285,391</u>

The Company has power of control in Vertex Logistics Service Co., Ltd. therefore, the Company accounted for as a subsidiary and included in the preparation of the Group's consolidated financial statements.

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

12. INVESTMENT IN JOINT VENTURES

12.1 Details of joint ventures

Company's name	Nature of business	Country of incorporation	In Baht					
			Share holding		Consolidated financial statements			
			percentage (%)		At cost		At equity method	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Overseas Green Energy Co., Ltd.	Management in power plant	Thailand	40	40	6,400,000	6,400,000	9,969,937	4,257,385
RICI International Investment Pte. Ltd.	Investment in power plant	Singapore	40	40	206,050,000	206,050,000	208,014,697	211,627,966
				Total	212,450,000	212,450,000	217,984,634	215,885,351

12.2 Summarized financial information of joint ventures

Financial information of the joint ventures are summarized below:

Company's name	In Baht									
	Issued and paid - up capital (including share premium)		Total assets		Total liabilities		Total revenues for the six-month periods ended 30 June		Profit (loss) for the six-month periods ended 30 June	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	2017	2016	2017	2016
Overseas Green Energy Co., Ltd.	16,000,000	16,000,000	31,717,940	18,967,647	14,772,544	1,659,688	10,216,627	7,521,158	14,281,378	1,069,763
RICI International Investment Pte. Ltd.	515,125,000	515,125,000	636,164,797	599,350,442	56,059,405	1,100,890	1,946,617	15,352,975	(9,033,171)	(3,586,109)
Total	531,125,000	531,125,000	667,882,737	618,318,089	70,831,949	2,760,578	12,163,244	22,874,133	5,248,207	(2,516,346)

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

12.3 Share of profit (loss)

During the period, the Group has recognized its share of profit (loss) from investments in joint venture in the consolidated financial statements for the six-month periods ended 30 June as follows:

Company's name	In Baht	
	Consolidated financial statements	
	Share of profit (loss)	
	2017	2016
Overseas Green Energy Co., Ltd.	5,712,551	427,905
RICI International Investment Pte. Ltd.	(3,613,268)	(1,434,443)
Total	<u>2,099,283</u>	<u>(1,006,538)</u>

Changes in investments in joint ventures

	In Baht	
	Consolidated financial statements	
	30 June 2017	31 December 2016
Beginning balance of period/year	215,885,351	217,092,272
Share of profit (loss)	<u>2,099,283</u>	<u>(1,206,921)</u>
Ending balance of period/year	<u>217,984,634</u>	<u>215,885,351</u>

During the period 2017, the Group's management negotiated with a joint investor in order to acquire 60% shares in joint venture held by such joint investor. Accordingly, the Company's Board of Directors No. 4/2017 on 11 August 2017 has a resolution to approve an indirect subsidiary to acquire shares from joint investor. The Group is in the process of acquiring such business under the agree terms with the joint investor.

As at 30 June 2017, the Group has deposit of Baht 10.00 million arising from the acquiring of such investment (presented as part of share purchase deposits which was included in other non-current assets) and has short-term loans to joint venture's subsidiary of Baht 381.25 million. These are considered as transactions related to the process of acquiring shares from such joint investor. The Group believes that the acquisition process will be finished within the year 2017.

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13. PROPERTY, PLANT AND EQUIPMENT

	In Baht	
	Consolidated financial statements	Separate financial statements
For the six-month period ended 30 June 2017		
Net book value, beginning of period	5,187,096,346	1,037,545,164
Acquisition of assets	131,969,138	2,177,508
<u>Less disposals/transfer out</u>	(422,631,010)	(2)
Depreciation	(116,801,408)	(53,770,235)
Exchange differences on translating		
Financial statements	(26,839,795)	-
Net book value, end of period	<u>4,752,793,271</u>	<u>985,952,435</u>

As at 30 June 2017 and 31 December 2016, net book value of property, plant and equipment of the Group amounting to Baht 3,390.86 million and Baht 1,490.49 million, respectively, are mortgaged as collateral for loans facilities from financial institutions (Notes 16 and 18).

As at 30 June 2017 and 31 December 2016, assets under finance lease agreements included above, comprise of vehicle and office equipment with net book value of Baht 6.04 million and Baht 8.85 million, respectively.

As at 30 June 2017 and 31 December 2016, net book value of property, plant and equipment of the Company amounting to Baht 842.21 million and Baht 884.20 million, respectively are mortgaged as collateral for loans facilities from financial institutions (Notes 16 and 18).

The Company arranged for an independent professional valuer to appraise the value of certain assets in 2015. The basis of the revaluation land were revalued using the market approach.

14. INTANGIBLE ASSETS

Intangible assets, comprise computer software and right to Power Purchase Agreements, had movement for the six-month period ended 30 June 2017 as follows:

	In Baht	
	Consolidated financial statements	Separate financial statements
For the six-month period ended 30 June 2017		
Net book value, beginning of period	518,833,999	1
Additions	599,201,550	-
Transfer in	422,276,633	-
Amortization	(30,396,482)	-
Exchange differences on translating financial statements	(6,724,121)	-
Net book value, end of period	<u>1,503,191,579</u>	<u>1</u>

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15. OTHER NON-CURRENT ASSETS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Share purchase deposits	43,670,000	33,670,000	-	-
<u>Less</u> allowance for diminution in value of assets	(16,835,000)	(16,835,000)	-	-
Net	26,835,000	16,835,000	-	-
Investment in the project	9,338,781	18,014,366	-	-
Other deposit	53,590,941	21,929,182	2,108,282	2,093,910
Other deposit- related companies (Note 4.1)	-	-	119,600	-
Prepaid land rental	16,409,815	4,619,258	-	-
Withholding taxes	5,026,777	4,371,218	5,026,778	4,371,218
Total other non-current assets	111,201,314	65,769,024	7,254,660	6,465,128

Share purchase deposit

Share purchase deposit of project in Republic of the Philippines

The Board of Directors' Meeting of Chow Steel Industries Public Company Limited on 9 June 2015 passed a resolution to have Chow International Company Limited invested in solar power project in Republic of the Philippines. The project size is approximately 25 megawatt and the project value is approximately Baht 1,500 million. The Company appointed Premier Solution Company Limited to be the solar power developer of Chow International Company Limited.

On 19 June 2015, Premier Solution Company Limited had paid USD 1 million (Baht 33.7 million) for deposit in investment of a company in Republic of the Philippines. Such deposit could be regained according to the condition stipulated in the contract. During the year 2016, the management decided to cancel the contract. The company and the seller have mutually agreed to provide a half refund to the company. The company recorded the allowance for diminution in value of this project amounting to Baht 16.84 million.

Share purchase deposit in joint ventures

During the period 2017, a subsidiary in Thailand paid amount of Baht 10.00 million for deposit in acquiring shares of a joint ventures (Note 12).

16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Overdrafts	312,360,387	1,853,037,618	-	-
Bills of exchange	513,583,390	3,124,499,023	454,783,390	2,617,713,205
Short-term loans	579,054,413	616,250,126	579,054,413	616,250,126
Total	1,404,998,190	5,593,786,767	1,033,837,803	3,233,963,331

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As at 30 June 2017, the Group and the Company have overdraft and short-term loan facilities of Baht 12,582.82 million and Baht 5,821.25 million, respectively, (31 December 2016 : Baht 9,695.12 million and Baht 8,118.25 million, respectively), bear interest at the rate of MMR, Prime-1.8% per annum and MOR-0.50% per annum.

The overdrafts and short-term loans from financial institutions are secured by fixed deposits (Note 10), property, plant and equipment (Note 13) and guarantee by some directors.

As at 30 June 2017, the Group and the Company have secured bills of exchange of Baht 252.03 million and Baht 192.23 million, respectively and the Group and the Company have unsecured bills of exchange of Baht 261.55 million, bear interest rate at 6.00% per annum (31 December 2016: the Group and the Company had unsecured bills of exchange of Baht 3,124.50 million and Bath 2,617.71 million, respectively, bear interest rate at 3.90% - 5.50% per annum.)

17. TRADE AND OTHER PAYABLES

	In Baht			
	Consolidated		Separate	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade payables - related companies (Note 4.1)	-	-	1,652,646	645,541
Trade payables - other companies	101,063,188	178,635,017	27,454,445	20,044,201
Total Trade payables	101,063,188	178,635,017	29,107,091	20,689,742
Other payables				
Advance received - other companies	50,202,920	-	-	-
Advance received - related companies (Note 4.1)	2,099,262,825	-	-	-
Accrued expenses	34,834,011	63,333,247	23,241,727	14,598,219
Other payables - related companies (Note 4.1)	75,344	701,208	601,156	13,339,759
Other payables - other companies	55,085,379	169,624,065	40,299,295	39,331,012
Total Other payables	2,239,460,479	233,658,520	64,142,178	67,268,990
Total trade and other payables	2,340,523,667	412,293,537	93,249,269	87,958,732

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18. LONG-TERM LOANS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Long-term loans from financial institutions				
Long-term loan-classified as current liabilities	54,631,462	62,703,612	54,631,462	62,703,612
Current portion				
- Loan from financial institutions	143,812,087	223,383,929	16,107,775	16,035,712
- Debentures	743,543,333	595,886,666	643,710,000	595,886,667
Total current portion	887,355,420	819,270,595	659,817,775	611,922,379
Long-term portion				
- Loan from financial institutions	4,746,278,433	3,695,512,033	-	-
- Debentures	1,382,775,401	1,224,008,116	1,382,775,401	1,124,274,783
Total long-term portion	6,129,053,834	4,919,520,149	1,382,775,401	1,124,274,783
Total long-term loans from financial Institutions	7,071,040,716	5,801,494,356	2,097,224,638	1,798,900,774

18.1 Long-term loans from financial institutions

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Long-term loans from financial institutions	4,944,721,982	3,981,599,574	70,739,237	78,739,324
<u>Less</u> Current portion	(143,812,087)	(223,383,929)	(16,107,775)	(16,035,712)
<u>Less</u> Long-term loan classified as current liabilities	(54,631,462)	(62,703,612)	(54,631,462)	(62,703,612)
Long-term loans	4,746,278,433	3,695,512,033	-	-

As at 30 June 2017, loans from financial institutions of Baht 4,944.72 million (31 December 2016: Baht 3,981.60 million) bear interest at the rate of TIBOR+ 2.5% per annum and MLR - 0.5% per annum. The loans will be repaid on a monthly basis as stipulated in the loan agreements. Such credit facilities are guaranteed by fixed deposits (Note 10), property, plant and equipment (Note 13), the Company's shares in a subsidiary and shares of director in addition to the guarantee by some directors.

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The movements of long-term loans from financial institutions for the six-month period ended 30 June 2017 are as follows:

	In Baht	
	Consolidated financial statements	Separate financial statements
Transactions during the six-month period ended 30 June 2017		
Balance, beginning of the period	3,981,599,574	78,739,324
Additions of loan	2,160,273,930	-
Loans payments	(1,168,398,154)	(8,310,000)
Amortization of bank fee	938,969	309,913
Unrealized loss on foreign exchange rate	730,093	-
Exchange differences on translating financial statement	(30,422,430)	-
Balance, end of the period	<u>4,944,721,982</u>	<u>70,739,237</u>

The maturity periods of long-term loans from financial institutions are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Current portion	143,812,087	223,383,929	16,107,775	16,035,712
Current liabilities	54,631,462	62,703,612	54,631,462	62,703,612
Total portion within 1 year	<u>198,443,549</u>	<u>286,087,541</u>	<u>70,739,237</u>	<u>78,739,324</u>
Due within the next 1 - 3 years	2,150,536,733	1,847,429,031	-	-
Due within the next 3 - 5 years	287,109,801	250,406,819	-	-
Due over the next 5 years	2,308,631,899	1,597,676,183	-	-
Total portion over 1 year	<u>4,746,278,433</u>	<u>3,695,512,033</u>	<u>-</u>	<u>-</u>
Total long-term loans from financial Institutions	<u><u>4,944,721,982</u></u>	<u><u>3,981,599,574</u></u>	<u><u>70,739,237</u></u>	<u><u>78,739,324</u></u>

The loan agreement contains normal covenants pertaining to matters such as the maintenance of certain debt to equity ratio. According to the conditions stipulated in the loan agreements, the Company agrees not to mortgage or otherwise encumber its assets with any other parties throughout the loan period. In addition, the Company has to comply with certain covenants, pertaining to matters such as maintaining certain financial ratios. As at the end of the reporting period, the Company was unable to maintain certain financial ratios as stipulated in the loan agreements, to comply with generally accepted accounting principles, the Company therefore reclassified such loan as current liabilities.

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During the period 2017 and 2016, the Company and its subsidiaries entered into the long-term loans agreements with the financial institutions as follows:

Lender	Contract Date	Borrower	Loan Amount	Period	Interest rate (%)	Repayment	Collateral	Objective of loan
A local bank in Thailand	11 March 2015	The Company	A loan limit of Baht 91.25 million	6 years	BIBOR plus 3.5% per annum	Repay every months at the repayment amount as stipulated in the loan agreement. The first installment will be paid at the end of the 7 th months from the date of drawdown loan and the last installment will be due in March 2021.	Pledged by the bank deposit and a subsidiary's shares.	Equity Finance to invest in subsidiary for Solar Power Plant in Japan.
A local bank in Thailand	31 March 2015	The Company	As at 31 December 2015, the Company withdrew the loan of Yen 2,500.00 million, (equivalent to Baht 696.5 million)	5 years	Cost of Funds plus 1.0% per annum	Repay every 6 months at the repayment amount as stipulated in the Loan agreement. The first installment will be due in March 2018. However, the Company repaid such loan in full during the year 2016.	Pledged by bill of exchange each of the drawdown loan.	Construction Finance for Solar Power Plant in Japan.
A bank in Japan	26 March 2015	A subsidiary in Japan	A loan limit of Yen 983 million	15 years	The interest is repayment on the amount specified in the loan agreement with the fixed interest rate.	The repayment period of 28 installations, the first installment is due on 29 April 2017 and the final installment will be due on 31 October 2029.	- Mortgage machinery and equipment of the power plant project. - Reassignment of charge from the sale of electricity.	Construction Finance for Solar Power Plant in Japan.

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Lender	Contract Date	Borrower	Loan Amount	Period	Interest rate (%)	Repayment	Collateral	Objective of loan
A local bank in Thailand	14 September 2016	A subsidiary in Thailand	A loan limit of Yen 3,060 million	1 year 3 months	The interest is repayment on the amount specified in the loan agreement with JPY TIBOR plus fixed interest rate	The loan is repayment in full on 2018.	The guarantee of deposits at financial institutions and shares of director.	Construction Finance for Solar Power Plant in Japan.
A local bank in Thailand	14 September 2016	A subsidiary in Thailand	A loan limit of Yen 6,820 million	2 years	The interest is repayment on the amount specified in the loan agreement with JPY TIBOR plus fixed interest rate	The loan is repayment in full on 2018.	The guarantee of deposits at financial institutions and shares of director.	Construction Finance for Solar Power Plant in Japan.
A bank in Japan	24 December 2015	A subsidiary in Japan	A loan limit of Yen 1,120 million	17 years	The interest is repayment on the amount specified in the loan agreement with JPY TIBOR plus fixed interest rate	The repayment period is 34 installments with the first installment due on 30 June 2016 and the final installment will be due on 24 December 2032.	<ul style="list-style-type: none"> - Mortgage machinery and equipment of the power plant project - Reassignment of charge from the sale of electricity. 	Construction Finance for Solar Power Plant in Japan.
A bank in Japan	29 September 2016	A subsidiary in Japan	A loan limit of Yen 291.55 million	17 years	The interest is repayment on the amount specified in the loan agreement with JPY TIBOR plus fixed interest rate	The repayment period is 34 installments with the first installment due on 31 March 2017 and the final installment will be due on 29 September 2033.	<ul style="list-style-type: none"> - Mortgage machinery and equipment of the power plant project - Reassignment of charge from the sale of electricity. 	Construction Finance for Solar Power Plant in Japan.

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Lender	Contract Date	Borrower	Loan Amount	Period	Interest rate (%)	Repayment	Collateral	Objective of loan
A bank in Japan	15 December 2016	A subsidiary in Japan	A loan limit of Yen 711 million	16 years	The interest is repayment on the amount specified in the loan agreement with JPY TIBOR plus fixed interest rate	The repayment period is 32 installments with the first installment due on 30 June 2017 and the final installment will be due on 15 December 2032.	- Mortgage machinery and equipment of the power plant project - Reassignment of charge from the sale of electricity.	Construction Finance for Solar Power Plant in Japan.
A bank in Japan	18 December 2016	A subsidiary in Japan	A loan limit of Yen 4,854 million	18 years	The interest is repayment on the amount specified in the loan agreement with JPY TIBOR plus fixed interest rate	The repayment period of 36 installations with the first installment is due in January 2018 and the final installment will be due in December 2035.	- Mortgage machinery and equipment of the power plant project - Reassignment of charge from the sale of electricity.	Construction Finance for Solar Power Plant in Japan.
A local bank in Thailand	1 September 2015	A subsidiary in Thailand	A loan limit of Yen 1,000 million	2 years	The interest is repayment on the amount specified in the loan agreement with JPY TIBOR plus fixed interest rate	Loan was fully repaid in the year 2016.	The guarantee of bank deposits.	Construction Finance for Solar Power Plant in Japan.
A bank in Japan	6 March 2014	A subsidiary in Japan	A loan limit of Yen 2,843.30 million	18 years	The interest is repayment on the amount specified in the loan agreement with the fixed interest rate	The repayment period of 65 installations with the first installment was due on 20 March 2014 and the final installment will be due on 22 March 2031.	- Mortgage machinery and equipment of the power plant project - Reassignment of charge from the sale of electricity.	Equity Finance to invest in subsidiary for Solar Power Plant in Japan.

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18.2 Debentures

The movements of debentures for the six-month period ended 30 June 2017 are summarized below:

	In Baht	
	Consolidated financial statements	Separate financial statements
Balance, beginning of the period	1,819,894,782	1,720,161,450
Issue of debentures	909,500,000	909,500,000
Repayment of debentures	(600,000,000)	(600,000,000)
Debenture issuance fee	(6,416,500)	(6,416,500)
Amortization of debenture fee	3,340,452	3,240,451
Balance, end of the period	2,126,318,734	2,026,485,401

Objective of debentures is for working capital used in the operation both short-term and long-term which detailed as follows:

Limit no.	Issuer	Issued date	Due date	Loan amount (Million Baht)	Interest rate (% per annum)
1.	The Company	25 June 2016	25 December 2016	600.00	5.15
2.	The Company	25 June 2015	25 June 2017	600.00	5.25
3.	The Company	27 November 2015	26 November 2020	100.00	5.60
4.	The Company	14 January 2016	14 January 2018	645.00	5.25
5.	The Company	31 August 2016	30 August 2018	180.00	5.10
6.	The Company	21 October 2016	3 October 2018	200.00	5.10
7.	A subsidiary in Thailand	4 November 2016	2 May 2018	100.00	4.50
8.	The Company	10 February 2017	10 February 2019	859.50	6.00
9.	The Company	14 February 2017	14 February 2019	50.00	6.00

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19. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Liabilities under finance lease agreements	8,672,601	10,773,123	-	-
<u>Less</u> Deferred interest charges	<u>(664,893)</u>	<u>(1,007,021)</u>	-	-
Total	8,007,708	9,766,102	-	-
<u>Less</u> Current portion	<u>(3,706,526)</u>	<u>(3,584,397)</u>	-	-
Liabilities under finance lease agreements	<u>4,301,182</u>	<u>6,181,705</u>	-	-

The ownership of assets under finance lease agreements will be transferred to the Group when the last installment is paid.

A subsidiary entered into the agreement with a financial institution to transfer right in collection from parent company for settlement of finance lease liabilities.

20. EMPLOYEE BENEFIT OBLIGATIONS

The reconciliations of retirement benefit obligations for the six-month period ended 30 June 2017 are as follows:

	In Baht	
	Consolidated financial statements	Separate financial statements
Obligation balance, beginning of the period	5,228,084	4,601,827
Current service cost and interest cost	930,516	665,624
Obligation balance, end of the period	<u>6,158,600</u>	<u>5,267,451</u>

21. NON-CONTROLLING INTERESTS

	In Baht
	Consolidated financial statements
	30 June 2017
Balance, beginning of period	76,118,505
Share of total comprehensive income	<u>10,219,948</u>
Balance, the end of period	<u>86,338,453</u>

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22. INCOME TAX

	In Baht			
	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Current income tax	28,400,559	8,330,331	33,200,266	15,416,167
Deferred tax	267,460	(4,415,130)	(169,572)	(6,060,722)
Income tax expense	<u>28,668,019</u>	<u>3,915,201</u>	<u>33,030,694</u>	<u>9,355,445</u>

Deferred tax is presented in the statements of financial position as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Deferred tax assets</u>				
Finance lease agreements	47,261	228,336	-	-
Gain from the sale and lease back	1,220,215	1,503,915	-	-
Employee benefit obligations	115,166	125,252	-	-
Accumulated tax losses	<u>5,624,030</u>	<u>4,979,597</u>	<u>-</u>	<u>-</u>
Total	<u>7,006,672</u>	<u>6,837,100</u>	<u>-</u>	<u>-</u>
<u>Deferred tax liabilities</u>				
Revaluation surplus on land	<u>(13,657,831)</u>	<u>(13,657,831)</u>	<u>(13,657,831)</u>	<u>(13,657,831)</u>

As at 30 June 2017 and 31 December 2016, the deferred tax liabilities of Baht 13.7 million from revaluation surplus on land, which presented by offset with revaluation surplus on land, was presented in other components of equity.

23. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is engaged in the business of manufacturing and distribution of steel billet, logistic service and operates in one geographical area in Thailand. The Group also engaged in the business of investment and consultant for renewable power plant which operated in geographical areas in Thailand, Japan and Germany. The segment information can be classified into 2 segments as follows:

- a: Segment relating to distribution of steel billet
- b: Segment relating to investment and consultant for renewable power plant

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Revenues and expenses classified by segment for the three-month periods ended 30 June 2017 and 2016 are as follows:

	In Million Baht					
	2017			2016		
	a	b	Total	a	b	Total
Revenues from sales and service	446.99	732.59	1,179.58	269.48	238.94	508.42
Profit (loss) from segment	(28.23)	253.86	225.63	11.81	53.60	65.41

Revenues and expenses classified by segment for the six-month periods ended 30 June 2017 and 2016 are as follows:

	In Million Baht					
	2017			2016		
	a	b	Total	a	b	Total
Revenues from sales and service	877.42	915.90	1,793.32	929.05	820.83	1,749.88
Profit (loss) from segment	(33.87)	279.05	245.18	26.78	127.63	154.41

Assets and liabilities classified by segment as at 30 June 2017 and 31 December 2016 are as follows:

Consolidated financial statements

	In Million Baht							
	As at 30 June 2017				As at 31 December 2016			
	a	b	Eliminate	Total	a	b	Eliminate	Total
Assets classified by segment								
Property, plant and equipment	1,012.79	3,759.70	(19.70)	4,752.79	1,066.12	4,135.24	(14.27)	5,187.09
Other assets	3,527.22	6,030.52	(2,026.79)	7,530.96	5,416.19	6,503.44	(3,874.38)	8,045.26
Total assets	4,540.01	9,790.22	(2,046.49)	12,283.75	6,482.31	10,638.68	(3,888.65)	13,232.35
Liabilities classified by segment								
Total liabilities	3,268.61	9,193.94	(1,557.41)	10,905.14	5,166.81	10,118.41	(3,405.00)	11,880.22

Geographical segment

The financial information is classified by geographical segment. Revenue and asset are classified follow by geographical of the Group and location of assets.

Geographical segment information

	In Million Baht					
	Total revenue for the three-month		Total revenue for the six-month		Total Assets	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	31 December 2016
Thailand	807.75	534.67	1,404.51	1,706.05	4,857.51	8,099.19
Japan	410.38	49.60	466.12	146.44	7,426.23	5,132.39
Germany	-	-	-	-	0.01	0.77
Total	1,218.13	584.27	1,870.63	1,852.49	12,283.75	13,232.35

CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2017 (UNAUDITED)

Major customers

The Group has revenue from three major customers, represented at 65% of total revenues for the six-month period ended 30 June 2017 (30 June 2016: three major customers, represented at 69% of total revenues).

24. COMMITMENT AND CONTINGENT LIABILITIES

24.1 Operating lease commitments and service agreements

24.1.1 As at 30 June 2017, a subsidiary in Thailand has entered into a Solar Rooftop Power Purchase Agreement with Metropolitan Electricity Authority (“ MEA”) and Provincial Electricity Authority (PEA) with total capacity of 7 Mwp. kilowatt and the agreement term was 25 years.

24.1.2 As at 30 June 2017, the Company and its subsidiaries had entered into rental agreements with rental and service fee to be paid in the future are as follows:

	<u>In Baht</u>
Rental agreements	9,954,719
Other service agreements	<u>8,973,010</u>
Total	<u><u>18,927,729</u></u>

24.2 Contingent liabilities

24.2.1 As at 30 June 2017, the Company has letters of guarantee issued by bank for the guarantee of electricity fee payment amounting to Baht 64.19 million.

24.2.2 As at 30 June 2017, a subsidiary has letter of guarantee issued by bank for performance guarantee of another subsidiary in a foreign country to engage in business amounted to Baht 303.66 million (equivalent to Yen 1,000 million). Fixed deposit was pledge as collateral for issuing such letter of guarantee in full amount.

24.2.3 As at 30 June 2017, a subsidiary in Thailand entered into an agreement to invest in 6 solar projects in Japan with a total projects value of Yen 10,300 million. The subsidiary has already made partial payments of Yen 252.12 million during 2016. However, all projects are in the process of investment feasibility studies. According to the agreements, the subsidiary shall be able to refund the entire amount in case of not investing in such projects.

25. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company’s Board of Directors on 11 August 2017.